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work necessary for the maintenance of city property, including additions, alterations and improvements to an amount not exceeding in any case one thousand dollars, may be executed by day labor or by contract; but work of original construction and additions, alterations and improvements costing in any case more than one thousand dollars shall be let out by contract." The tendency in progressive American cities, as in progressive European cities, is decidedly toward direct work by the city instead of indirect work through contract. The author argues that there is greater danger in the city's doing public work directly than in doing it under the contract method. But the experience of other cities and the judgment of most progressive city workers is distinctly against this conclusion. Again, Mr. Matthews provides that nominations to office may be made only by a petition signed by 3 per cent of the total votes cast at the preceding city election, a number that is much higher than is usually found in charters. The duties of all the departments of the city are specified in six pages of the charter while twelve pages are devoted to restricting in greatest minutia the powers of the city over public ownership and operation of profitable enterprises.

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MITCHELL, WESLEY CLAIR. *Business Cycles*. Pp. xviii, 610. Price, \$5.00. Berkeley: University of California Press, 1913.

A monumental work of over six hundred pages, this book undertakes a quantitative method of investigation into the causes of the rhythm of business activity. If the statistical method as such is not new in this connection, it is at least unique here in the extent of its application.

Following a brief review of former explanations of business cycles which he finds to be only partial explanations or explanations of but one of a number of complex factors, the author makes a detailed study of the annals of business from 1890 to 1911. This period is chosen because of our greater knowledge of recent business and financial history and because of the greater accuracy of the statistical data of more recent years.

The plan of the book makes possible its use by the economic theorist, who wishes to study it in great detail, or by the business man or general reader who is interested only in conclusions. The gist of the conclusions on the causes of business cycles is presented in the last of fourteen chapters. In fuller detail, the same results are given in chapters ten to thirteen, while the statistical materials and methods used are given in part two, including chapters four to nine.

The controlling factor in economic activity, according to the author, is the quest of money profits. Through differences in cost prices and consumers' prices, the business man is enabled to obtain a money profit. The business cycle comprises a swing from prosperity to crisis, from crisis to depression, and from depression again to prosperity. Prosperity begins by a revival of business activity, a rise in prices and an increase in profits either because costs rise slowly in comparison with the physical volume of business or because costs lag behind selling prices. At the apex of prosperity the business man's endeavor lies not in immediate profits, but in the maintenance of solvency. Through increasing costs and tension on the money markets, prospective profits decline, business credit is

undermined, and a period of liquidation begins. Business is reduced in volume, prices fall, prices and costs are readjusted and depression prepares the way for another period of prosperity.

Undoubtedly one of the valuable features of this book is the wealth of statistical materials upon which the author's analysis rests. As he himself states (p. 570): "The case for the present theory . . . and also the case against it, is to be found, not in the summary . . . but in the difficult chapters which precede (viz. the statistical data)." The data here presented furnish excellent material for class purposes or for independent investigators in studying the fluctuations of economic activity, and for testing quantitatively this or other theories.

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MÜNSTERBERG, HUGO. *Psychology and Social Sanity*. Pp. ix, 320. Price, \$1.25. New York: Doubleday, Page and Company, 1914.

This collection of essays is the latest product, save of course for *The War and America*, of the tireless pen of the distinguished German American professor at Harvard. It seems to him, as the preface states, "a particular duty of the psychologist from time to time to leave his laboratory and with his little contribution to serve the outside interests of the community." Some "characteristic topics of social discussion" are selected, to be "solved" by psychology; the succeeding chapter headings are: Sex Education, Socialism, The Intellectual Underworld, Thought Transference, The Mind of the Juryman, Efficiency on the Farm, Social Sins of Advertising, The Mind of the Investor, Society and the Dance, and Naïve Psychology.

With regard to the sex problem, the author, perversely enough, advocates earnestly in the preface "the policy of silence," and forthwith proceeds to violate that policy harshly in some sixty-eight pages. Discussion of the questions of sex, taken up by the drama, treated in magazine literature, or involved in the education of boys and girls, he feels is fraught with the gravest danger. More thorough knowledge of sex will mean simply increased desire and calculated sinning. Certainly it is just to say that such an obscurantist plea for the efficacy of total depravity doctrine and such a defense of mystical belief and ignorance, is not far short of sheer indiscriminate reaction in this time of knowledge and discussion. Moreover, the essay seems to reflect a wilful refusal to consider objective facts impartially; this alone would negative any claim for its consideration as a contribution to social science.

Nor does the long chapter on Socialism deserve comment except as reflecting upon the author's limitations as a sociologist. Here Professor Münsterberg, the platitudinous, dispenses ancient commonplaces about incentives and ideals and happiness. Such writing can scarcely be very effective in combating the claims of Socialism. He seems not at all to understand the vital social and economic issues presented. Indeed, it is rather futile to attempt to apply the ideas of individualistic psychology to group relations, where the broader critical analysis of social psychology is needed. Again, to take another instance, *The Mind of the Juryman* is of interest as revealing the possible scientific catastrophe which may follow upon this utilization of the laboratory method of introspective psychology to